

How does the new furlough or temporary salary reduction legislation impact retirement benefits?

HB 2070, which was passed during the 2011 Legislative session, requires DRS to calculate a member's retirement benefit using the compensation that would have been earned had it not been for a qualifying furlough or temporary reduction in salary. HB 2070 retains most of the rules of the previous furlough legislations, but expands the eligible employees to members of most of the DRS administered retirement systems. This pension protection is provided for the 2011-13 biennium. The provisions of this bill apply to members of the following systems administered by DRS:

- Public Employees Retirement System (PERS)
- Teachers Retirement System (TRS)
- School Employees Retirement System (SERS)
- Public Safety Employees Retirement System (PSERS)
- Washington State Patrol Retirement System (WSPRS)
- Law Enforcement Officers and Fire Fighters (LEOFF)

Frequently Asked Questions

Here's a list of frequently asked questions that hopefully will help with understanding how the new legislation works.

- *What time period is covered under HB 2070?*

The salary protections of HB 2070 apply during the 2011-2013 biennium only; from July 1, 2011 through June 30, 2013.

- *Temporary salary reductions are protected, but are the pensions of retiring employees still protected for other types of salary reductions, such as furloughs or temporary layoffs during the 2011-2013 biennium?*

HB 2070 also protects pensions from the impacts of other types of salary reductions, as long as they are certified by the employer as part of their overall expenditure reduction efforts.

- *How will DRS know what my compensation should have been when I retire?*

When you ask DRS to provide you with an estimate of your retirement benefit, we will ask whether you had any qualifying salary reductions during this biennium. If you answer yes, we will verify or request the unreduced salary from your employer and use that in your benefit calculation.